

In view of this State Government has proposed to provide additional land at Navi Mumbai for a two runway airport. The State Government has been asked to complete the proposed technical/ traffic studies and then send a formal proposal for the consideration of the Government.

**Non-profitable Flights of Air India**

†4101. SHRI KAPIL SIBAL:

DR. D. MASTHAN:

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether it is a fact that there are number of flights of Air India which earn less in comparison to the expenditure incurred on their operations;
- (b) if so, the details of these flights;
- (c) the percentage of these flights out of the total flights of Air India; and
- (d) the reasons for these flights being non-profitable?

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV);

(a) to (c) Details are as under:—

*List of flights, operating cost of which is more than revenue for the year 1999-2000*

*(Rs. in crores)*

Route	No. of Single Flights	Operating Revenue After Dep. & Obsince	Operating Cost	Operating Result After Dep. & Obsince
1	2	3	4	5
USA	1068	959.47	1092.50	(133.03)
UK	38	9.06	15.19	(6.13)
Continent	322	188.02	22 6.63	(38.61)

†Original notice of the question was received in Hindi.

1	2	3	4	5
Jakarta	314	86.72	87.09	(0.37)
Hongkong	286	68.12	71.51	(3.39)
Japan	625	362.59	388.36	(25.77)
TOTAL	2653	1673.98	1881.28	(207.30)
% of total AI flights The losses incurred	24.77 on domestic routes		axe as given	below:—
	Op. Revenue	Op. Cost	Net Loss	
Domestic (AI) S)	90.51	129.81	(39.30)	
Domestic (H & S)	10.85	22.28	(11.43)	

(d) The main reasons attributable to Air India's losses ix?, the recent years are (i) severe competition in the international Market resulting in an inability to achieve desired revenue yields or adhere to yield improvement programmes; (ii) Erosion in profits from operations in the Gulf region due to new entrants in the market; (iii) Increased bilateral entitlements for European carriers and the consequent increase in their deployment, to/from India led to fare wars and increased discounting in a bid to attract traffic; (iv) increase in staff costs and in PLI; (v) Higher burden of depreciation and financial costs due to replacement and augmentation of fleet and devaluation of the Indian Rupee *vis-a-vis* US dollar; (vi) weakening of the rupee *vis-a-vis* other major hard currencies; (vii) Increase in interest expenditure on working capital loans; (viii) ageing of fleet resulting in reduced passenger appeal and therefore lower yields and (ix) escalating fuel prices in 1999-2000 due to which Air India had to pay Rs. 178 crores additionally during 1999-2000.

#### Encroachment on AAI Land at Hyderabad

4102. DR. Y. LAKSHMI PRASAD : Will the Minister of CIVIL AVIATION be pleased to state:

- whether it is a fact that land belonging to Airports Authority of India at Hyderabad has been encroached upon;
- if so, the details thereof;
- whether there is a proposal to rehabilitate the encroachers at